

Assessment

Module 1: Payroll Taxes and Federal Income Tax Withholding

Part 1

Answer the following multiple-choice and true/false questions about payroll taxes and federal income tax withholding by clicking on the correct answers. To assess your answers, click the *Check My Answers* button at the bottom of the page.

1) The Social Security tax rate is

- ☐ A. 1.45%.
- ☐ B. 6.20%.
- ☐ C. 7.65%.

2) Employees send their payroll taxes directly to the federal government.

- ☐ A. True
- ☐ B. False

3) Employers use which form to compute the amount of federal income tax to withhold?

- ☐ A. Form W-4
- ☐ B. Form W-2
- ☐ C. Form 1040EZ

4) Gross pay is the amount of pay the employee takes home.

- ☐ A. True
- ☐ B. False

5) Who completes Form W-4?

- ☐ A. Employer
- ☐ B. Employee
- ☐ C. IRS

Part 2

Review Form W-4 for Olivia Sanchez by clicking the *View Form W-4* button. Then, answer the questions that follow by typing your answers in the space provided. To assess your answers, click the *Check My Answers* button at the bottom of the page.

[View Form W-4](#)

1) Who completed Form W-4? Enter the full name.

Type Answer Here

2) How many allowances did the taxpayer claim?

Type Answer Here

3) Is the taxpayer single or married?

Type Answer Here

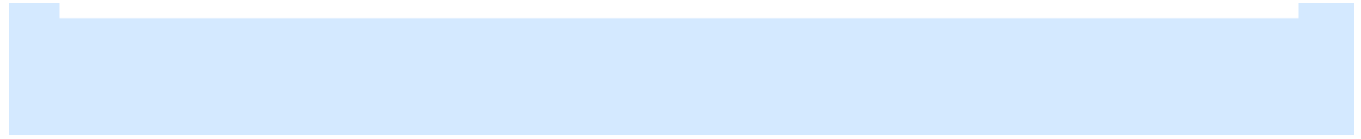
4) Does the taxpayer want additional amounts to be withheld?

Type Answer Here

5) Is the taxpayer exempt from withholding?

Type Answer Here

Check My Answers



----- Cut here and give Form W-4 to your employer. Keep the top part for your records. -----

Form **W-4**

Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

OMB No. 1545-0074

2007

► **Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.**

1 Type or print your first name and middle initial.		Last name		2 Your social security number	
Home address (number and street or rural route)				3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.	
City or town, state, and ZIP code				4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ► <input type="checkbox"/>	
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)				5	
6 Additional amount, if any, you want withheld from each paycheck				6 \$	
7 I claim exemption from withholding for 2007, and I certify that I meet both of the following conditions for exemption. <ul style="list-style-type: none">• Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and• This year I expect a refund of all federal income tax withheld because I expect to have no tax liability.					
If you meet both conditions, write "Exempt" here ►					
				7	

Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature

(Form is not valid
unless you sign it.) ►

Date ►

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional)	10 Employer identification number (EIN)
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For Privacy Act and Paperwork Reduction Act Notice, see page 2.

Cat. No. 10220Q

Form **W-4** (2007)